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ABSTRACT

The timing and nature of the process of retirement for self-employed individuals were investigated. Subjects were 25 farm couples and 24 non-farm couples, all residing in rural Alberta, Canada. Both groups were matched on age, income, and education. Findings support the existence of a retirement process with a developmental sequence beginning at about age 49 for men and age 47 for women. The process is characterized by a sequence of concerns with financial planning beginning at a mean age of 48, time planning at about age 50, and discussions with one's spouse regarding retirement at about age 54. Planning becomes important at somewhat different times for farmers and non-farmers and for men and women, as do the specific concerns. However, for all groups, the sequence of planning was constant. (Author/HLM)

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# THE PROCESS OF RETIREMENT:

# THE RURAL SELF EMPLOYED*

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Traditionally retirement has been studied from the point of view of adjustment to, or anticipation of the retirement event. The underlying assumption of this approach is that retirement provides a distinct boundary between work and non-work. This focus on the retirement event has been limiting in two respects. First, definition of the event is becoming increasingly difficult in light of part-time work, large blocks of vacation time, second careers, job sharing, which make it difficult to determine the end of the work role. Second, decisions about leaving the work role likely occur for a lengthy period of time surrounding what has traditionally been called retirement. Recently several researchers have begun to address this issue by considering the broader process of socialization for the retirement stage (Atchley, 1976, 1979; Thurnher, 1974; Blau, 1973; Thompson, 1973; Bengston, 1973). This shift in focus from a single event to an ongoing process allows for the consideration of retirement from a perspective of continuous planning and adaptation.

Although there has been recent support for the concept of retirement as a process (Atchley, 1976; Thurnher, 1974), at least two questions have not been clearly defined: (a) the timing of the process and (b) the delineation of issues important in the process. Associated with these is the possibility that the process has several phases, only one of which is demarcated by the event of retirement and that the phases may vary by type of job and by sex.

## The Timing of the Process

Atchley (1974) delineates the timing of his preretirement phases in terms of awareness that the event of retirement is approaching. Mac-

Bride (1976) alludes to a similar post retirement process when she says that the nature of adjustment to retirement will vary according to whether a retiree is observed several weeks or several years after retirement. Evidence from these two researchers is that timing of the process may be tied more to distance from the event than the person's chronological age. Timing may also be specific to particular issues. For example, one may begin to plan for finances in retirement before planning for use of leisure time becomes important.

Delineation of the Issues

What are the important issues in the process of socialization for retirement? Carp (1972) says that resources such as income are crucial in providing options for people in retirement. Others have confirmed the idea that perceived adequacy of retirement income is related to retirement satisfaction (Glamser, 1976; Shanas, 1972; Simpson, Black and McKinney, 1966).

A second resource which has been dealt with in the adjustment to retirement literature is that of time use. Here too some post retirement change appears inevitable as most workers have many more hours available to them in the absence of work. Researchers have assessed use of time after retirement, anticipated versus actual use of time in retirement and preferred leisure activities (Cutler, 1973; Peppers, 1976). None have been focused on the timing of planning for time use in retirement.

In addition to resources, another aspect of the process of retirement which has received some attention is that of relationships. Carp

(1972) says that ones linking systems which include personal relationships are crucial around the time of departure from work.

One of the potentially most supportive linking systems is that of the marital relationship. With the reduction in the parenting role and the anticipation of loss of work role there is likely to be a new focus on the marital relationship (Blau, 1974). This new focus may lead either to changes in levels of satisfaction with marriage or to shifts in the nature of the marital interaction (Brubaker, 1974; Keating, 1979). As yet little is known about the onset of those changes (Atchley, 1979).

## The Current Study

The purpose of this project was to study the timing and nature of the process of retirement for a group of people who are self employed and consequently have no imposed discrete retirement event. The sample included twenty-five farm couples and twenty-four self employed non farm couples, all residing in rural Alberta. Decisions about retirement for this group of people are of special interest because of the inter-connections between work and family roles, particularly for farm families. Both farm and non-farm couples were included in an attempt to test hypothesized occupational differences in the process of retirement. Both groups were matched on age, income and education.

The age range of 50 to 70 for men was selected to include couples at various stages in the process, on either side of the conventional retirement age of 65. The process of planning for retirement may, of course, begin before age 50. All respondents were asked to report in

retrospect on the initiation of planning. The mean age of the men was 62, of women, 57. Men and women with work careers outside of the family business were excluded in order to eliminate the need to assess exit from several work careers. The sample was purposively selected by referrals from community members and study participants. Couples were interviewed in their homes, separately but concurrently. The interview included questions regarding the timing of the process of retirement and planning concerning resources (money and capital, time, housing, health) and relationships (with spouse, children, social network).*[1]

Reported here are results about the process of retirement and the resource and relationship issues associated with the process which were most salient to this group. These are money and capital, time and the marital relationship. These issues cannot be considered to be an exhaustive list of factors influencing the process of retirement, however, there is some agreement that they have an important influence on couples socialization for retirement.

## The Retirement Process

The findings support the existence of a process of retirement with a developmental sequence common for farmers and business owners, men, women (see figure 1). The process begins at about age 49 for men, and

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*[1] Questions concerning the nature of the resource issues were adapted from previous work by the author (see Keating-Groen, 1977). Questions concerning the timing were: When did you begin planning? What led you to begin planning? Have you added to or changed your plans? In what way?

somewhat earlier for women (age 47). Considering the fact that husbands are typically older than their wives, it seems reasonable to assume that the process begins at the same point in time for men and women. The process is characterized by a sequence of concerns with financial planning beginning at a mean age of 48, time planning at about age 50, and discussions with one's spouse regarding retirement at about age 54.

Focussing on financial planning, time planning, and the marital relationship becomes important at somewhat different times for farmers, non-farm business owners, men and women as do the specific concerns related to these resources (see figure 2). However, for all groups the sequence of planning was constant.

## Timing and Content of Issues Experienced in Process Financial Planning

### A. Farmers and Business Owners

There is no question that financial planning for retirement is important both for farmers and business owners. Early planning (mean age of 48 for both groups) is not surprising for self employed people for whom running a business means a large capital investment in land and/or equipment. Investment in the farm or business and the family home is given as the first financial plan made for retirement by 31% of farmers and 35% of business owners. This is followed closely by savings (25% and 19% respectively). The largest numbers in each group stated that their philosophy of thinking ahead triggered their shift to a focus on retirement planning (32% of farmers and 38% of business owners). Age was also an important impetus to planning with 21% of the

farmers and 26% of business owners presenting it as most important. Planning for ones money income in retirement, then, is just one example of plans continuously made throughout the life cycle. This philosophy was evident both for farmers and non-farm business owners and may be inherent to entrepreneurial groups in general or to this age cohort who weathered periods of economic stress during the depression.

B. Men and Women

Both husbands and wives also identified money as the first issue for which they planned in retirement and for both, the need to think ahead and plan for money income was paramount. Most saw a combination of investment in the farm or business and savings as their most significant plans. Men, however, gave quite specific comments about their first financial plans with investment in the business, insurance and pensions mentioned most often. Women stated plans in a more general fashion with savings and investment in the business mentioned most often. One might expect that men in this group are the primary financial planners and therefore are expressing what is in fact a more detailed knowledge of the family's financial situation. Money planning was seen as ultimately allowing for the sale of the farm or business and a subsequent reduction in levels of stress and fatigue associated with being self employed.

Time Planning

A. Farmers and Business Owners

Despite being older when they retired, farmers reported planning for time use in retirement at a much earlier age (48) than did business

owners (54). For farmers, planning for time use in retirement started about 16 years before retirement; for business owners, about 7 years.

Planning for time use in retirement may require a more lengthy process for farm couples because work, family and leisure roles are more interconnected. Farm couples live at their place of work and the farm operation requires the involvement of both members of the couple. Non work time may be more difficult to define than for the business owner for whom, in this sample, work and non work are usually physically separate. An element of the process of planning ones time in retirement also involves considering where to live. When asked about their post retirement decision, one-third of farmers expected to move upon sale of their farm, whereas only 7% of business owners had similar expectations. For business owners present lack of time was cited by 55% as the main reason for planning for time use in retirement. In most cases they seem to be faced with fewer changes to achieve a reduction in time commitment than were farmers. The main concern for them was a reduction in work responsibility which would free them for leisure pursuits.

B. Men and Women

Thirty-nine percent of men and thirty-eight percent of women said that current lack of time led them to a consideration of time use in retirement. Age and the negative retirement experiences of others were next most important in leading to planning. Socialization for use of time in retirement seems to occur in response to both positive events such as the anticipation of free time in retirement and negative such as worry about boredom.

Both men and women stated that more time for involvement in

hobbies and more time devoted to travelling were what they most enjoyed or expected to enjoy in retirement. This is in clear contrast to what people actually do. Other than paid employment, the most common activities of men and women were housework and watching television. Despite the fact that neither men nor women spent the majority of their time involved in highly valued activities, most viewed retirement as a time of increased freedom and choice about time use.

## The Marital Relationship

### A. Farmers and Business Owners

Husband/wife discussion about the process of retirement and retirement related decisions comes later than the ongoing planning for resources such as money and time. Farmers begin this discussion around age 52 which is 12 years before retirement. Business owners discuss retirement with their wives around age 55, about 6 years before their retirement. Again, farmers begin the process somewhat earlier. This may be another indication that leaving the work role is somewhat more complicated for them. It is also likely that because of womens high levels of involvement in the farm operation, they are more likely to be actively involved in the retirement process. Farmers, too, because of the physical demands of their work may begin to feel the effects of the demands of their job at an earlier age. More business owners (56%) perceive their health as better than average than do farmers (36%). The combination of the retirement process being a joint process for farm couples, the physical demands of farming and the difficulties of leaving the work role, all contribute to a more lengthy process for farmers of

joint discussion concerning retirement.

B. Men and Women

Women reported having discussed retirement issues with their husbands at age 51 compared to men at age 57. The difference in ages of couples indicates that both are reporting discussion of retirement issues at approximately the same point in time. For most couples joint planning for retirement was the rule. Only 20% had not jointly discussed retirement plans and this coincides with the number of couples who reported that the timing of retirement had been a decision made by the husband alone.

The content of retirement concerns differs slightly between men and women. Men's discussions were related to the event of retirement: its timing, the importance of health in deciding when to retire, the possibility of a change of residence at retirement. Women on the other had, said that planning for day to day activities and their use of time after retirement were most important.

In the present study, 87% of farm women and sixty percent of non farm women said that they were or would be actively involved in helping their husbands through the retirement process by doing such things as planning joint and individual activities and talking to their husbands about their retirement concerns. Only 28% of men were aware of that support. This finding that women experience concern about the post retirement adjustment is consistent with earlier studies which indicate that women feel a sense of responsibility for helping their husbands through the retirement process (Keating, 1979). The evidence suggests that men do not perceive this support, perhaps because their concerns

tend to be directed to the more instrumental aspects of the process.

## Continuity in the Process

In developing a profile of the retirement process of these rural, self employed couples, one is struck by the amount of continuity throughout. Planning occurs and is part of a philosophy of looking ahead. Joint discussion of planning also occurs, well in advance of the retirement event. There is no assurance, however, that the elements of the process of retirement identified here are universal. There are also several things about the situation of this particular sample that make them relatively unique compared to other workers.

## Continuity and Money

Money planning of this group of self employed people must be understood within a context of their financial situation. Most have a large capital investment in their business operation and upon retirement and the sale of the business often have a larger income than before retirement. And eighty percent of all respondents said that they expected their retirement income would be adequate to do the things they wanted to do. The theme of continuity is apparent here. Financial planning occurs early, probably with initial investment in the business. It becomes oriented toward retirement about the time children are being launched, with age and the continuing philosophy of planning ahead providing impetus for the retirement focus. Retirement is not anticipated or experienced as a time of financial need but a time where adequate income and reduction in work pressures free the couple to be involved in

other activities.

Planning does continue throughout the retirement process. About half of those who made initial plans for money income in retirement said they changed those plans. For the largest group this meant augmenting existing plans such as savings or investment in the business or buying into such things as retirement plans as they became available.

Continu ty and Time

For about one-third of couples in this study there was no sharp break in the number of hours per day that the couple spent together. Particularly for farmers, close contact with spouse is part of the work role.

In general this is a busy active group who do not see retirement either as dreary or boring. Few see the need to develop new activities or relationships. Seventy percent of respondents said that making new friends was relatively unimportant. Similarly, few felt the need to develop new hobbies or to belong to clubs. Rather, many stated that they were reducing their involvement in clubs and other organized activities. However, for most, continued contact with their children and friends was highly valued.

Only about one-third of respondents said they changed their initial plans for time use in retirement and for most of them, changes were imposed because of poor health or time constraints.

For these people, planning for use of time is a lifelong process in which relationships are established and hobbies developed. Most are not geographically mobile and so their social network is relatively stable.

Almost all have frequent contact with their children who live in close proximity. They are neither bored, isolated, nor lacking in money to do the things they would like to do.

## Continuity andMarriage

Compared to other non rural groups (Keating, 1977; Keating and Cole, 1979) the transition to retirement seems remarkably smooth for these couples. Most already spend a good deal of time together and the post retirement realities of time together are little different than what is expected before the retirement event. Eighty percent talked with one another about retirement plans and less than 15% had concerns about retirement that they had not shared with their spouse. The process for couples is one of supportiveness, particularly by wives and continued high amounts of contact with little abrupt change at the event of retirement.

## Theoretical and Practical Implications

The original conceptualization of the latter stages of the family developmental life cycle has been one of entry into a final phase, retirement upon loss of the work role. This global approach has masked some of the several phases of the process suggested by other authors and apparent in this study. Awareness of approaching retirement could be considered the beginning of the phases of retirement. Findings from this study, however, indicate that the early phases are qualitatively different from one another with a resource planning stage followed by a relationship planning stage. These two phases overlap and probably

both continue past the retirement event with ongoing changes occuring in response to external events such as changing in income, in health status, and in contact with children.

Because this is a special group of people, further research on other occupational groups would be needed to confirm resources and relationship phases, to determine whether other phases exist, and to examine the variation in the content of each of the phases across occupational groups. Needed too, is further assessment of later, post event phases of the process.

The conceptualization of retirement as a process with several phases does provide a framework for planning for retirement programs for rural couples.

1. The timirg of planning for retirement programs and their content should correspond to the stages of socialization for retirement with resource planning introduced before relationship issues in programs available for people in their late forties.

2. Programs in retirement planning should not be confined to the pre-event stages. Imposed changes such as a reduction in social network, inflation, decline in health status may trigger further planning which could be supported by intervention programs at various points in the retirement process.

3. If retirement is a husband-wife or even a family process, educational programs should be developed for all family members involved in the process with the acknowledgement that the process is not identical for men and women.

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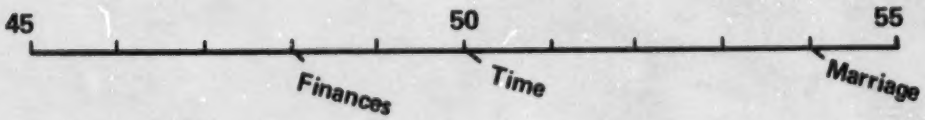
Figure 1.

**TIMING OF THE PROCESS ----- Total Group**

Mean age of initiation of planning




Mean age of retirement: 62 years

Figure 2. Means: present age, retirement age, and onset of planning for resources and relationships.